



ACQUISITION LETTER

AUTHORITY

This Acquisition Letter (AL) is issued by the Procurement Executive pursuant to a delegation from the Secretary and under the authority of the Federal Acquisition Regulation (FAR), Section 1.301(a)(2).

CONTENT

CITATION

DEAR 970.2602-2
DEAR 970.5204-81

TITLE

Contract Clauses
Diversity Plan

- I. **Purpose.** The purpose of this AL is to provide guidance regarding the requirement for a Diversity Plan pending the publication of permanent guidance.
- II. **Background.** As an important element of contract reform, the Department of Energy (DOE) requires that its contractors take appropriate action to develop a comprehensive and integrated approach to managing diversity across their business operations. This requirement is implemented through the inclusion of a diversity contract clause in major facilities management contracts. Such contractors, within 90 days after award of a new contract, must submit a diversity plan and the plan must be updated annually thereafter. Compliance with and performance against the plans will be assessed as part of the contractor's annual performance report card.

The requirement to provide a diversity plan is set forth in the final rule amending the Department of Energy Acquisition Regulation (DEAR) published in the Federal Register on November 28, 1997 (62 FR 63424).
- III. **Guidance.** Contracting officers are responsible for including the Diversity Plan clause at DEAR 970.5204-81 in major facilities management contracts awarded after December 28, 1997. The contracting officer should provide a copy of the plan to their Office of Small and Disadvantaged Business Utilization and include the plan in the official contract file.

The objective of the subject clause and the requirement for a "total package" diversity plan is to obtain a contractor's commitment to diversity sensitivity and inclusiveness in all aspects of its business practices, the workplace, and relations with the community at large. A diversity plan should address, among other things, the contractor's approach for promoting diversity through: its workforce; educational outreach; community involvement and outreach; subcontracting; economic development (including technology transfer). Every diversity plan must be tailored to

the circumstances of the individual contract and site. The following sections discuss type of information that could be contained in a diversity plan. If these issues are already addressed in the contract or the contractor's proposal e.g., the contractor's subcontracting plan, the diversity plan need not repeat the information but should identify the document containing the information.

- The contractor's workforce

DOE contracts include clauses on Equal Opportunity and Affirmative Action. The plan may discuss a contractor's policies and plans for implementation of these clauses in business operations.

- Educational outreach

A plan may discuss any programs the contractor has already provided, or which it intends to provide, which will give all employees an opportunity to improve their employment skills and opportunities with particular attention to those areas where individuals may require focused training because of educational or skill gaps linked to economic status. This could include: educational assistance allowances, provision for outside training programs either during or outside regular work hours, and executive training programs for non-executive employees. A plan may also discuss any plans to participate in programs supporting Historically Black Colleges and Universities, Hispanic serving institutions, and Native American institutions.

- Community involvement and outreach

A plan's discussion of diversity sensitivities in community relations activities could include support for diverse elements of the local community in the following activities: support for science, mathematics, and engineering education; support for community service organizations; assistance to governmental and community service organizations and for equal opportunity activities; and community assistance in connection with work force reduction plans. The contractor may provide support to these activities through direct sponsorship or making individual employees available to work with the specific community activity. A plan may discuss existing and planned activities promoting all elements of the community involvement of its employees as well as the company.

- Subcontracting

If appropriate to the contractor, the contract will contain FAR 52.219-9, "Small, Small Disadvantaged and Woman-owned Small Business Subcontracting Plan" (August 1996) and other small business related clauses. Additionally, the Request for Proposal may have contained additional guidance on small business subcontracting. If the contractor is participating, or plans to participate, in the Department's mentor-protégé program, this involvement, or planned involvement, could be summarized. Information concerning its subcontracting plans already submitted and approved does not need to be redeveloped or renegotiated.

■ Economic development (including technology transfer)

Some of the Department's contracts include clauses dealing with technology transfer. Planning or activities developed under such clauses may apply to this element of the diversity plan. Additionally, some of the subcontracting activities planned by the contractor with small, small disadvantaged, or woman-owned small business concerns may be entered into for the purpose of assisting the economic development of, or transferring technology to, such business concerns. A plan may outline and discuss any planned activities promoting economic diversification of the local community.

IV. **Effective Date.** This AL is effective ten days after the date of its issuance.

V. **Expiration Date.** This AL remains in effect until superseded or canceled.